

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
1301 Young Street, Room 833  
Dallas, Texas 75202



**Division of Medicaid & Children's Health, Region VI**

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August 10, 2010

Our Reference: SPA TX 06-014B

Mr. Billy Millwee  
Associate Commissioner for Medicaid & CHIP  
Health and Human Services Commission  
Post Office Box 13247  
Mail Code: H100  
Austin, Texas 78711

Dear Mr. Millwee:

We have reviewed the State's proposed amendment to the Texas State Plan submitted under Transmittal Number 06-014B, dated February 27, 2006. This amendment revises the reimbursement methodology for Day Activity Health Services (DAHS), modifying the Attendant Compensation Rate Enhancement (ACRE), which is a component of the cost used to determine the DAHS rate.

As previously communicated to the State, CMS is issuing a companion letter in conjunction with our approval of SPA 05-010B in which we requested the State to clarify coverage issues relating to Day Activity Health Services (DAHS). It was determined that certain areas in the coverage section were not consistent with current guidance and regulations at 42 CFR 440.130(d). Please be mindful of the timeframes referenced in that companion letter.

Based on the information submitted, we have approved the amendment for incorporation into the official Texas State Plan with an effective date change of February 1, 2006. A copy of the CMS-179 and the approved plan pages are enclosed with this letter.

If you have any questions, please contact Ford J. Blunt at (214) 767-6381.

Sincerely,

Bill Brooks  
Associate Regional Administrator

Enclosures

Cc: Emily Zalkovsky, Policy Development Support